

UNITED STATES TRUSTEE

DISTRICT OF IDAHO

CHAPTER 11 GUIDELINES AND REPORTING REQUIREMENTS FOR CHAPTER 11 DEBTORS

**Office of the United States Trustee
Central Plaza
720 Park Boulevard, Suite 220
Boise, Idaho 83712**

**208-334-1300 (phone)
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TO: CHAPTER 11 DEBTORS, ATTORNEYS, AND TRUSTEES

The United States Trustee Program is a component of the U.S. Department of Justice responsible for overseeing the administration of bankruptcy cases. As part of his oversight responsibility, the United States Trustee ("UST") for the District of Idaho has developed these Chapter 11 Guidelines to assist debtors in meeting their obligations while in chapter 11.

Attached to these Guidelines are forms for three types of required reports: the **Initial Financial Report**, the **Monthly Operating Report**, and the **Post-Confirmation Quarterly Report**. The Guidelines explain the purpose and use of each of the forms.

The Guidelines make reference to the Local Rules of Bankruptcy Procedure for the District of Idaho. A copy of the Local Rules may be downloaded from the U.S. Bankruptcy Court's website at: **www.id.uscourts.gov**.

THE DEBTOR IN POSSESSION IS A FIDUCIARY

Chapter 11 provides an opportunity for a debtor to reorganize its debts while continuing to operate. With the filing of a voluntary Chapter 11 petition, a debtor becomes a new entity called a debtor in possession. The debtor in possession, often with the participation of creditors, develops a plan of reorganization of its business and financial affairs and for payment of its debts. The debtor in possession may continue to operate pending approval of its plan of reorganization, unless the court orders the appointment of a trustee under chapter 11. A debtor in possession has a fiduciary duty to its creditors, much the same as a chapter 11 trustee, to preserve and maintain the bankruptcy estate and to operate its business efficiently in order to maximize ultimate payments on pre-petition debts while keeping post-petition debts current.

COURT APPROVAL REQUIRED FOR CERTAIN TRANSACTIONS

The UST does not provide legal advice to a debtor. The debtor should consult with its counsel when a question arises about whether court approval is required for a specific transaction. The following transactions generally require Court approval:

- Using cash collateral;
- Making a payment on a prepetition debt;
- Hiring a professional, such as an attorney, accountant, realtor, appraiser, auctioneer, business consultant, or engineer;
- Making a payment to a professional, such as an attorney, accountant, realtor, appraiser, auctioneer, business consultant, or engineer;
- Selling the debtor's business, or selling an asset outside of the ordinary course of the debtor's business;
- Obtaining credit or financing outside of the ordinary course of the debtor's business;
- Entering into a contract, lease, or settlement agreement with another party.

BANK ACCOUNTS

Upon the filing of the petition, a debtor must close its pre-petition bank accounts and establish new “debtor in possession” bank accounts. All funds of the bankruptcy estate should be deposited into, and all disbursements should be made out of, the new debtor in possession bank accounts, until a plan of reorganization is confirmed. All bank accounts used by the debtor must be disclosed in the Monthly Operating Reports.

The account name on the bank’s records should include the debtor’s name, the bankruptcy case number, and the words “debtor in possession.” The bank account statement period should cut off at the end of the calendar month.

All funds of the bankruptcy estate must be deposited and invested in accordance with the requirements of the 11 U.S.C. § 345(b). Examples of deposits and investments that comply include the following:

- Deposits that are fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.
- Direct investments in United States Treasury Securities (e.g., T-Bills).
- Deposits and investments with an entity that has posted a surety bond in favor of the United States, or pledged certain types of securities, to secure the funds.

The UST maintains a list of financial institutions (“authorized depositories”) that have agreed to post a surety bond or pledge securities, as discussed above, to protect any uninsured deposits of bankruptcy estates for cases filed in the District of Idaho. A list of these authorized depositories is attached to these guidelines. *The Chapter 11 debtor in possession bank account(s) should be opened at one of the institutions on this list.*

TAXES

The debtor in possession must remain current on all post-petition federal, state and local taxes and file all tax returns on a timely basis. Failure by the debtor to timely pay post-petition taxes or to file post-petition tax returns is cause for conversion or dismissal of the case. 11 U.S.C. §1112(b)(4)(I).

INSURANCE

The debtor must maintain without interruption, and in adequate amounts, all insurance customarily carried in the debtor’s line of business or required by law or regulation. Such insurance may include general, automobile, and product liability; worker’s compensation; property insurance; professional liability; and employee fidelity coverage. The debtor must provide the UST with proof of insurance as part of the Initial Financial Report described below. The debtor must immediately notify the UST of any lapse, cancellation, modification, or renewal of insurance coverage. Failure by the debtor to maintain appropriate insurance is cause for dismissal of the case or conversion to Chapter 7. 11 U.S.C. §1112(b)(4)(C).

QUARTERLY FEES

Pursuant to 28 U.S.C. §1930(a)(6), debtors are required to pay quarterly fees to the UST until a final decree is entered closing the case, or until the case is converted to another chapter or dismissed. In order for a plan to be confirmed, all quarterly fees must be paid, or the plan must provide for their payment on the effective date of the plan. 11 U.S.C. § 1129(a)(12). Failure to pay quarterly fees when due is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(K).

The fee for each calendar quarter is based on total disbursements made in the debtor's case during the quarter, including payments made by another party on the debtor's behalf. Debtors will receive a billing for quarterly fees approximately the middle of the month following the end of the quarter. The fee is calculated as follows:

STATUTORY FEE SCHEDULE

If disbursements for the calendar quarter are within these amounts. . .		Then the quarterly fee due is. . .
From	To	
-0-	\$14,999.99	\$325
\$15,000	\$74,999.99	\$650
\$75,000	\$149,999.99	\$975
\$150,000	\$224,999.99	\$1,625
\$225,000	\$299,999.99	\$1,950
\$300,000	\$999,999.99	\$4,875
\$1,000,000	\$1,999,999.99	\$6,500
\$2,000,000	\$2,999,999.99	\$9,750
\$3,000,000	\$4,999,999.99	\$10,400
\$5,000,000	\$14,999,999.99	\$13,000
\$15,000,000	\$29,999,999.99	\$20,000
\$30,000,000 and above		\$30,000

For calendar quarter ending. . .	A fee payment is due on. . .
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

Pursuant to 31 U.S.C. §3717, the United States Trustee Program will assess interest on unpaid Chapter 11 quarterly fees. The interest rate assessed is the rate in effect as determined by the Treasury Department at the time the account becomes past due. If payment of the full principal amount past due is received within thirty (30) days of the date of the notice of initial interest assessment, the interest assessed will be waived.

**COLLECTION OF
DELINQUENT QUARTERLY
FEES**

This notice is to advise the debtor of the UST's procedures for collecting delinquent quarterly fees:

NOTICE

DISCLOSURE OF INTENT TO USE TAXPAYER IDENTIFYING NUMBER FOR THE PURPOSE OF COLLECTING AND REPORTING DELINQUENT QUARTERLY FEES OWED TO THE UNITED STATES TRUSTEE PURSUANT TO 28 U.S.C. § 1930(a)(6)

Please be advised that, pursuant to the Debt Collection Improvements Act of 1996, Public Law 104-134, Title III, § 31001(i)(3)(A), 110 Stat. 1321-365, codified at 31 U.S.C. § 3701, the United States Trustee intends to use the debtor's Taxpayer Identification Number ("TIN") as reported by the debtor or debtor's counsel in connection with the chapter 11 bankruptcy proceedings for the purpose of collecting and reporting on any delinquent debt, including chapter 11 quarterly fees, that are owed to the United States Trustee.

The United States Trustee will provide the debtor's TIN to the Department of Treasury for its use in attempting to collect overdue debts. Treasury may take the following steps: (1) submit the debt to the Internal Revenue Service Offset Program so that the amount owed may be deducted from any payment made by the federal government to the debtor, including but not limited to tax refunds; (2) report the delinquency to credit reporting agencies; (3) send collection notices to the debtor; (4) engage private collection agencies to collect the debt; and, (5) engage the United States Attorney's office to sue for collection. Collection costs will be added to the total amount of the debt.

**INITIAL DEBTOR
INTERVIEW**

The UST will contact debtor's counsel shortly after the case is filed to schedule an Initial Debtor Interview ("IDI"). The IDI will be conducted as soon as practicable after the petition is filed and before the Section 341 meeting of creditors. Depending on the debtor's location and the nature of its business, the interview will take place at the debtor's place of business, the office of the UST or debtor's counsel, or by telephone.

The IDI will include a discussion of the debtor's history, business plan and current operations, as well as the debtor's assessment of the cause of the present difficulties and initial thoughts on how these will be remedied. The debtor's representative(s) at the IDI should have personal knowledge and information regarding the debtor's pre-petition and post-petition operations, accounting records, tax returns and financial statements.

Prior to the IDI, the UST must have the debtor's Statement of Financial Affairs, Schedules, and Initial Financial Report (see Reporting Requirements, below). The UST's bankruptcy analyst will explain the monthly financial reporting requirements and other obligations of the debtor, and discuss scheduling matters. Failure by the debtor to attend meetings reasonably requested by the UST is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(H).

MEETING OF CREDITORS

11 U.S.C. § 341(a) requires the UST to convene and preside over a meeting of creditors, generally held within 40 days after the filing of a chapter 11 case. The meeting provides an opportunity for creditors and the UST to examine the debtor under oath, with the debtor's counsel present. Attendance by the debtor is mandatory. If the case is a joint filing by individuals, both spouses must appear. In the case of a corporate debtor, an officer or director of the corporation and the debtor's attorney must appear. If the debtor is a partnership or limited liability company, one of the general partners or managing members must appear. It should be noted that a corporate or partnership debtor must be represented by an attorney. Failure by the debtor to attend the meeting of creditors without good cause shown is cause for conversion or dismissal of the case. 11 U.S.C. §1112(b)(4)(G).

SMALL BUSINESS CASES

A "small business case" is a case in which the debtor is a "small business debtor." See 11 U.S.C. § 101(51C) and (51D). A small business debtor must append the following to the voluntary petition:

- Its most recent balance sheet, statement of operations (i.e., profit and loss statement), cash-flow statement, and federal income tax return
OR
- A statement made under penalty of perjury that the financial statements have not been prepared or the tax return has not been filed.

Section 1116 of Title 11 sets out a number of other requirements in small business cases.

INDIVIDUAL DEBTORS

Title 11 includes a number of provisions that apply specifically to Chapter 11 cases in which the debtor is an individual, including the following:

- Property of the bankruptcy estate includes property acquired post-petition. 11 U.S.C. § 1115(a)(1).
- Property of the bankruptcy estate includes post-petition earnings from personal services. 11 U.S.C. § 1115(a)(2).
- If a holder of an allowed unsecured claim objects to confirmation of the plan, the plan must either provide for payment of the full value of the claim as of the effective date, or for payment of the projected disposable income of the debtor for five years or for the term of the plan, whichever is longer, with disposable income defined in 11 U.S.C. §1325(b)(2). 11 U.S.C. § 1129(a)(15).
- An individual debtor does not receive a discharge until completion of all payments under the plan. The court may grant a discharge to an individual debtor who has not completed all plan payments if the court finds that the value of the property actually distributed to unsecured creditors as of the effective date is not less than the amount that would have been paid in a chapter 7 case if the estate had been liquidated on the effective date, and if the court also finds that modification of the plan under Section 1127 is not practicable. 11 U.S.C. § 1141(d)(5).

REPORTING REQUIREMENTS

DUTY TO KEEP RECORDS AND FILE REPORTS

11 U.S.C. § 1106(a)(1), which incorporates Section 704(8) of the Code, and Fed.R.Bankr.P. 2015 require a chapter 11 debtor to maintain financial records and to file timely financial reports. 11 U.S.C. § 308 specifies additional requirements for small business debtors.

Failure to timely file required reports is cause for dismissal of the case or conversion to chapter 7. 11 U.S.C. § 1112(b)(4)(F).

The debtor's accounting records must establish a clear cut-off between financial transactions that occur before the chapter 11 filing, and those that occur on and after the date of filing. Typically, a debtor will establish a separate set of general ledger accounts to record its post-filing transactions.

INITIAL FINANCIAL REPORT

The **Initial Financial Report** must be submitted to the UST within 15 days after the petition is filed. It is not filed with the Court.

The Initial Financial Report consists of a cover sheet and debtor's certification (**Form UST-1**), and the following attachments:

- 1) **Most recently filed Federal income tax return.**
Note: Small business debtors are required to append their most recent Federal income tax return to the petition. If the tax return was filed with the petition, the debtor may check the "Previously Filed" box on Form UST-1.
- 2) **Financial statements for most recent year-end** (i.e., balance sheet, income statement, and cash flow statement).
- 3) **Most recent monthly financial statements** (i.e., month-end balance sheet, income statement, and cash flow statement).
Note: Small business debtors are required to append their most recent balance sheet, income statement, and cash flow statement to the petition. If these financial statements were filed with the petition, the debtor may check the "Previously Filed" box on Form UST-1.
- 4) **Certificates of insurance.** The debtor must provide a certificate(s) of insurance, signed by an authorized representative of the carrier or agent, with the UST named as a party to be notified in the event of cancellation. The certificate must indicate the policy expiration date, the types and amounts of coverage, the location(s) covered, the deductible, the named insured, the insurer, and the name, address, and telephone number of the agent.
- 5) **Debtor in possession bank account information.** The debtor must provide the name and address of the financial institution where the debtor in possession account(s) was opened, along with the account number and a sample void check.
- 6) **Bank statements for the 90 days prior to the petition date for all pre-petition bank accounts.**
- 7) **Payment advices received from employers during the 60 days prior to the petition date.** Individual debtors only must provide the pay statements that were filed with the Court pursuant to 11 U.S.C. §521(a)(1)(B)(iv).
- 8) **Cash projection for the six months following the petition.** Business debtors should use **Form UST-1A**. Non-business debtors should use **Form UST-1B**.

**MONTHLY OPERATING
REPORTS (NON-SMALL
BUSINESS CASES)**

The debtor must submit a Monthly Operating Report for each month (or portion thereof) after the petition is filed until a plan is confirmed or the case is dismissed or converted. The Monthly Operating Report submitted for the month in which the plan is confirmed should cover the entire month.

The Monthly Operating Report is due **twenty days** after the end of the month. The report must be filed with the Court, and a hard copy with an original signature must be submitted to the UST.

The Monthly Operating Report must be signed under penalty of perjury by the individual debtor(s) or chapter 11 trustee or, as applicable, a corporate officer, general partner, or managing member.

The Monthly Operating Report for non-small business debtors consists of the following:

- 1) Cover Sheet (**Form UST-2**)
- 2) Comparative Balance Sheet (**Form UST-2A**)

The Comparative Balance Sheet reports information as of the current month-end and as of the petition date. *This form is not required for individual debtors who do not operate a business.*

- 3) Comparative Income Statement (**Form UST-2B**)

The Comparative Income Statement reports results for the current month and the cumulative results since the petition date. *An alternate form of Comparative Income Statement is provided for individual debtors who do not operate a business.*

- 4) Cash Receipts and Disbursements Statement (**Form UST-2C**)

The Cash Receipts and Disbursements Statement consists of a summary of total receipts and disbursements for all bank accounts for the current month and since the petition date and, for *each* bank account, a continuation sheet, detailed list of receipts and disbursements, bank statement, and bank reconciliation.

- 5) Supplemental Information (**Form UST-2D**)

MONTHLY OPERATING REPORTS (SMALL BUSINESS CASES)

As noted above, a “small business case” is a case in which the debtor is a “small business debtor.” See 11 U.S.C. § 101(51C) and (51D). Requirements for financial reporting by small business debtors are described in 11 U.S.C. § 308 and Fed.R.Bankr.P. 2015(a)(6)

A Small Business Monthly Operating Report must be submitted for each calendar month after the order for relief. If the order for relief is within the first 15 days of the month, a report shall be filed for the portion of that month. If the order for relief is after the 15th day of that month, the period for the remainder of that month may be included in the report for the next calendar month. The obligation to file monthly reports terminates on the effective date of the plan, or the conversion or dismissal of the case.

The Small Business Monthly Operating Report must be prepared on **Official Form 25C** (copy attached) .

The Small Business Monthly Operating Report is due **twenty days** after the end of the month covered by the report. The report must be filed with the Court, and a hard copy with an original signature must be submitted to the UST.

The Monthly Operating Report must be signed under penalty of perjury by the individual debtor(s) or chapter 11 trustee or, as applicable, a corporate officer, general partner, or managing member.

REPORTS REGARDING ENTITIES IN WHICH DEBTOR HOLDS AN INTEREST

Pursuant to Fed.R.Bankr.P. 2015.3, the debtor must file periodic financial reports of the value, operations, and profitability of each entity in which the debtor holds a substantial or controlling interest (unless the entity is a publicly traded corporation or is itself in bankruptcy). It is presumed that the debtor holds a substantial or controlling interest if the debtor controls or owns at least a 20 percent interest in the entity.

The periodic financial report must be prepared on **Official Form 26**. The Form may be obtained through the Court’s web site:
http://www.id.uscourts.gov/forms-bk/Form_26_1208.pdf

The first report must be filed no later than five days before the first date set for the Section 341 meeting of creditors. Subsequent reports must be filed at least every six months thereafter, until the effective date of the plan, or conversion or dismissal of the case. The reports must be filed with the Court, with a copy served on the UST, any committee appointed in the case, and any other party in interest that has filed a request therefor.

POST-CONFIRMATION REPORTS

Confirmation is the Court’s approval of a plan of reorganization. Pursuant to 11 U.S.C. § 1106(a)(7) and Fed.R.Bankr.P. 2015(a)(5), the debtor must file a Post-Confirmation Quarterly Report (**Form UST-3**) for every post-confirmation calendar quarter, including the quarter in which the plan was confirmed and the quarter in which the debtor files its application for final decree. The Post-Confirmation Quarterly Report is due on or before the last day of the month following the end of the quarter.

**REPORTS IN CASES
CONVERTED TO
CHAPTER 7**

Pursuant to Fed.R.Bankr.P. 1019(5) and LBR 1019, the debtor must file

- 1) a schedule of unpaid debts incurred after commencement of the chapter 11 case, within 15 days after entry of an order converting the case to chapter 7; and
- 2) a final report and account, within 30 days after entry of the order converting the case.

LBR 1019.1(d) describes the required content of the final report and account after conversion.

ATTACHMENTS

- 1) List of authorized depositories, District of Idaho
- 2) Initial Financial Report (Forms UST-1, 1-A and 1-B)
- 3) Monthly Operating Report, Non-Small Business Cases (Forms UST-2, 2-A through 2-D)
- 4) Small Business Monthly Operating Report, Official Form 25C
- 5) Post-Confirmation Quarterly Report (Form UST-3)



**U.S. Department of Justice
Office of the United States Trustee
District of Idaho**

*720 Park Blvd., Ste. 220
Boise, Idaho 83712*

*(208) 334-1300
(208) 334-9756 (fax)*

**United States Trustee's List of Authorized Depositories
For Bankruptcy Cases Filed in the District of Idaho**

As of April 17, 2009

Bank of America

JP Morgan Chase Bank

Citizens Community Bank

Farmers and Merchants State Bank/Bank of the Cascades

First Federal Savings Bank of Twin Falls

Inland Northwest Bank

Key Bank N.A.

Panhandle State Bank

Sterling Savings Bank

Sun Trust Bank

U.S. Bank

Washington Trust Bank

Wells Fargo Bank

Zions Bank

INITIAL FINANCIAL REPORT FOR CHAPTER 11 DEBTORS

Case No. _____

Debtor _____

THIS REPORT MUST BE SUBMITTED TO THE U.S. TRUSTEE WITHIN 15 DAYS AFTER THE PETITION IS FILED

Debtor must attach each of the following documents or an explanation for the failure to attach the document.

REQUIRED DOCUMENTS

Mark One Box for Each Required Document

	Document Attached	Previously Filed	Explanation Attached
1 Most recently filed Federal income tax return.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Financial statements for the most recent year-end (i.e., balance sheet income statement, and cash flow statement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Most recent monthly financial statements (i.e., month-end balance sheet, income statement, and cash flow statement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Certificates of Insurance			
<i>General Liability Insurance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Property (Fire, Theft, etc.) Insurance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Workers' Compensation Insurance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Vehicle Insurance:</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Other:</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Debtor in Possession Bank Account Information			
<i>Account number, name and address of financial institution for each account</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Sample voided check for each account</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Bank statements for the 90 days prior to the petition date for pre-petition accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Individual Debtors only: pay statements for 60 days prior to petition date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Six-Month Cash Projection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Business Debtors: use form UST-1A</i>			
<i>Non-Business Debtors: use form UST-1B</i>			

I declare under penalty of perjury that the information contained in this Initial Financial Report, including any attachments thereto, is true and correct to the best of my knowledge and belief.

Date: _____

Signature(s): _____

Title: _____

**SIX-MONTH POST-PETITION CASH PROJECTIONS
(CHAPTER 11 BUSINESS DEBTOR)**

Case No _____

Debtor _____

Month: _____	Month: _____	Month: _____	Month: _____	Month: _____	Month: _____	Six-Month Total
-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	--------------------

Beginning Cash Balance

--	--	--	--	--	--	--

CASH RECEIPTS

Cash Sales

Collection of Receivables

Sale of Assets

Post-Petition Borrowing

Other: _____

Other: _____

TOTAL CASH RECEIPTS

--	--	--	--	--	--	--

CASH DISBURSEMENTS

Auto/Truck Expenses

Employee Benefits

Insurance

Inventory Purchases

Officer Salaries

Other Salaries/Wages

Payroll Taxes

Rent and Lease Payments

Repairs and Maintenance

Secured Debt Payments

Supplies

Utilities

Professional Fees*

UST Quarterly Fees

Other: _____

Other: _____

TOTAL CASH DISBURSEMENTS

--	--	--	--	--	--	--

NET CASH FLOW

--	--	--	--	--	--	--

Ending Cash Balance

--	--	--	--	--	--	--

**Requires Court approval*

**SIX-MONTH POST-PETITION CASH PROJECTIONS
(CHAPTER 11 NON-BUSINESS DEBTOR)**

Case No _____

Debtor _____

Month: _____	Month: _____	Month: _____	Month: _____	Month: _____	Month: _____	Six-Month Total
-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	--------------------

Beginning Cash Balance

_____	_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------	-------

CASH RECEIPTS

Net Wages

Rental Income

Sale of Assets

Post-Petition Borrowing

Other: _____

Other: _____

_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

TOTAL CASH RECEIPTS

_____	_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------	-------

CASH DISBURSEMENTS

Auto Loan/Lease Payments

Domestic Support Obligations

Insurance

Mortgage Payments

Other Secured Debt Payments

Personal Living Expenses

Rent

Professional Fees*

UST Quarterly Fees

Other: _____

Other: _____

_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

TOTAL CASH DISBURSEMENTS

_____	_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------	-------

NET CASH FLOW

_____	_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------	-------

Ending Cash Balance

_____	_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------	-------

**Requires Court approval*

CHAPTER 11 MONTHLY OPERATING REPORT

Case No. _____

Report Month/Year _____

Debtor _____

This report is due 20 days after the end of the month. Debtor must attach each of the required forms or documents unless the U.S. Trustee has waived the requirement. The report must be filed with the Court. A signed hard copy must be provided to the U.S. Trustee.

The debtor has provided the following with this monthly operating report:		Yes	No
UST-2A	Comparative Balance Sheet	<input type="checkbox"/>	<input type="checkbox"/>
UST-2B	Comparative Income Statement	<input type="checkbox"/>	<input type="checkbox"/>
UST-2C	Cash Receipts and Disbursements Statement	<input type="checkbox"/>	<input type="checkbox"/>
	UST-2C Continuation Sheet for Each Account	<input type="checkbox"/>	<input type="checkbox"/>
	Detailed List of Receipts and Disbursements for Each Account	<input type="checkbox"/>	<input type="checkbox"/>
	Bank Statement for Each Account	<input type="checkbox"/>	<input type="checkbox"/>
	Bank Reconciliation for Each Account	<input type="checkbox"/>	<input type="checkbox"/>
UST-2D	Supplemental Information	<input type="checkbox"/>	<input type="checkbox"/>

I declare under penalty of perjury that this Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Date: _____

Name: _____

Signature: _____

Title: _____

CHAPTER 11 MONTHLY OPERATING REPORT - COMPARATIVE BALANCE SHEET

Case No. _____
Debtor _____

Report Month/Year _____

	Current Month	Petition Date
ASSETS		
Current Assets:		
Cash	\$ _____	\$ _____
Accounts Receivable	_____	_____
Receivable from Officers, Employees, Affiliates	_____	_____
Inventory	_____	_____
Other Current Assets :(List) _____	_____	_____
_____	_____	_____
_____	_____	_____
Total Current Assets	_____	_____
Fixed Assets:		
Land	_____	_____
Building	_____	_____
Equipment, Furniture and Fixtures	_____	_____
Total Fixed Assets	_____	_____
Less: Accumulated Depreciation	(_____)	(_____)
Net Fixed Assets	_____	_____
Other Assets (List): _____	_____	_____
_____	_____	_____
TOTAL ASSETS	\$ _____	\$ _____
LIABILITIES		
Post-petition Trade Accounts Payable	\$ _____	\$ _____
Post-petition Accrued Profesional Fees	_____	_____
Post-petition Taxes Payable	_____	_____
Post-petition Notes Payable	_____	_____
Other Post-petition Payables (List): _____	_____	_____
_____	_____	_____
Total Post Petition Liabilities	_____	_____
Pre Petition Liabilities:		
Secured Debt	_____	_____
Priority Debt	_____	_____
Unsecured Debt	_____	_____
Total Pre Petition Liabilities	_____	_____
TOTAL LIABILITIES	_____	_____
OWNERS' EQUITY		
Owner's/Stockholder's Equity	_____	_____
Retained Earnings - Prepetition	_____	_____
Retained Earnings - Post-petition	_____	_____
TOTAL OWNERS' EQUITY	_____	_____
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ _____	\$ _____

Explain any significant changes on Form UST-2D, Supplemental Information

CHAPTER 11 MONTHLY OPERATING REPORT - COMPARATIVE INCOME STATEMENT

Case No. _____

Report Month/Year _____

Debtor _____

	Current Month	Total Post-Petition
GROSS SALES/REVENUE	\$ _____	\$ _____
Less: Discounts, Returns and Allowances	_____	_____
Net Sales/Revenue	_____	_____
 Cost of Sales:		
Beginning Inventory	\$ _____	
Add: Purchases	_____	
Less: Ending Inventory	(_____)	
Cost of Goods Sold	_____	_____
 GROSS PROFIT	\$ _____	\$ _____
 Operating Expenses:		
Officers' Salaries	_____	_____
Other Salaries	_____	_____
Employee Benefits/Payroll Taxes	_____	_____
Insurance	_____	_____
Rent and Lease Payments	_____	_____
Other (list): _____	_____	_____
_____	_____	_____
 Total Operating Expenses	_____	_____
 OPERATING INCOME (LOSS)	\$ _____	\$ _____
 Add: Other Income	_____	_____
Less: Interest Expense	_____	_____
Less: Professional Fees and Other Reorganization Expenses	_____	_____
Other Adjustments to Income (explain)	_____	_____
Gain (Loss) on Sale of Assets	_____	_____
 NET INCOME (LOSS) BEFORE TAXES	\$ _____	\$ _____
 Income Tax Expense (Benefit)	_____	_____
 NET INCOME (LOSS)	\$ _____	\$ _____

CHAPTER 11 MONTHLY OPERATING REPORT - COMPARATIVE INCOME STATEMENT
(Non-Business Debtor)

Case No. _____
Debtor _____

Report Month/Year _____

	Current Month	Total Post-Petition
CASH INCOME		
Net Wages	\$ _____	\$ _____
Rental Income	_____	_____
Sale of Assets	_____	_____
Post-Petition Borrowing	_____	_____
Other: _____	_____	_____
Other: _____	_____	_____
TOTAL CASH INCOME	\$ _____	\$ _____
CASH EXPENSES		
Auto Loan/Lease Payments	_____	_____
Domestic Support Obligations	_____	_____
Insurance	_____	_____
Mortgage Payments	_____	_____
Other Secured Debt Payments	_____	_____
Personal Living Expenses	_____	_____
Rent	_____	_____
Professional Fees	_____	_____
UST Quarterly Fees	_____	_____
Other: _____	_____	_____
Other: _____	_____	_____
TOTAL CASH EXPENSES	\$ _____	\$ _____
NET CASH INCOME	\$ _____	\$ _____

**CHAPTER 11 MONTHLY OPERATING REPORT -
CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

Case No. _____

Report Month/Year _____

Debtor _____

SUMMARY

Current
Month

Total
Post-Petition

Beginning cash balance, per Debtor's books (all acccounts)

\$ _____

\$ _____

Total cash receipts

(from UST-2C continuation sheets)

Total cash disbursements

from (UST-2C continuation sheets)

Net cash flow

(Total cash receipts less total cash disbursements)

\$ _____

Ending cash balance, per Debtor's books (all accounts)

\$ _____

\$ _____

Attach a UST-2C continuation sheet for each bank account and for any petty cash account.

**CHAPTER 11 MONTHLY OPERATING REPORT -
CASH RECEIPTS AND DISBURSEMENTS STATEMENT-Continuation Sheet**

Case No. _____
Debtor _____

Report Month/Year _____

Prepare this CONTINUATION SHEET for each bank account and attach supporting documents as indicated on the checklist below.

Depository (bank) name: _____
Account number: _____

Beginning cash balance, per Debtor's books \$ _____

Add: Transfers in from other estate bank accounts _____
Cash receipts deposited to this account _____

Subtract: Transfers out to other estate bank accounts _____
Cash disbursements from this account _____

Adjustments, if any (explain) _____

Net cash flow \$ _____
(receipts and transfers in less disbursements and transfers out)

Ending cash balance, per Debtor's books \$ _____
(beginning balance plus net cash flow)

Does this CONTINUATION SHEET include the following supporting documents?	Yes	No
• Detailed list of receipts and disbursements	<input type="checkbox"/>	<input type="checkbox"/>
• Bank statement	<input type="checkbox"/>	<input type="checkbox"/>
• Bank reconciliation	<input type="checkbox"/>	<input type="checkbox"/>

CHAPTER 11 MONTHLY OPERATING REPORT - SUPPLEMENTAL INFORMATIONCase No. _____
Debtor _____

Report Month/Year _____

Reconciliation of Unpaid Post-Petition Taxes

Type of tax	1	2	3	4
	Unpaid post-petition taxes from prior reporting month	Post-petition taxes accrued this month (new obligations)	Post-petition tax payments made this reporting month	Unpaid post-petition taxes at end of reporting month (col. 1+2-3)
Federal				
Employee income tax withheld				
Employee FICA taxes withheld				
Employer FICA taxes				
Unemployment taxes				
Other: _____				
State				
Sales, use & excise taxes				
Unemployment taxes				
Other: _____				
Local				
Personal property taxes				
Real property taxes				
Other: _____				
Total unpaid post-petition taxes				\$

Payments to Attorneys and Other Professionals (requires court approval)

Professional's name	Type of services	Amount paid this month	Date of court approval	Balance unpaid at end of month, net of retainer

Payments to Principals of Debtor and Other Insiders (includes officers, directors, shareholders, partners, members, relatives, etc.)

Payee's name	Position with or relationship to Debtor	Amount paid this month	Purpose of payment (e.g., wages or salary, expense reimbursement, loan repayment,

Insurance Coverage Summary

Type of insurance	Insurance carrier	Amount of coverage	Policy expiration date	Premium paid through date
Workers' compensation				
General liability				
Property (fire, theft, etc.)				
Vehicle				
Other:				
Other:				

If any policies were renewed or replaced during reporting period, attach new certificate of insurance.

CHAPTER 11 MONTHLY OPERATING REPORT - SUPPLEMENTAL INFORMATION

Case No. _____

Report Month/Year _____

Debtor _____

Accounts Receivable Aging Summary (attach detailed aging report)

	30 days or less	31 to 60 days	61 to 90 days	Over 90 days	Total at month end
Pre-petition receivables					
Post-petition receivables					
Total					

Post-Petition Accounts Payable Aging Summary (attach detailed aging report)

	30 days or less	31 to 60 days	61 to 90 days	Over 90 days	Total at month end
Trade Payables					
Other Payables					
Total					

Personnel Changes

Number of employees at beginning of month

Number of employees at end of month

Full-time

Part-time

Other Information**Payment of Pre-Petition Debts**Did Debtor pay any unsecured pre-petition debts during the reporting month? *If yes, attach a detailed explanation including the payee, amount paid, and date of court approval.*

Yes

No

☐☐**Sale of Assets**Did Debtor, or another party on behalf of Debtor, sell, transfer, or otherwise dispose of any assets outside of the ordinary course of Debtor's business during the reporting month? *If yes, attach a report of sale or settlement statement, or detailed explanation including description of asset sold, purchaser, sale price, net proceeds received, and date of court approval.*☐☐**Post-Petition Financing**Did Debtor borrow any money outside of the ordinary course of business during the reporting month? *If yes, attach a detailed explanation including the name of the lender, the amount borrowed, and the date of court approval.*☐☐**Narrative**

Provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period; any unusual or non-recurring accounting transactions that are reported in the financial statements; any significant changes in the financial condition of the debtor; and any progress made toward confirmation of a plan during the month.

UST-2D

Page 2 of 2

January 2009

United States Bankruptcy Court

District of _____

In re _____,

Debtor

Case No. _____

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: _____

Date Filed: _____

Line of Business: _____ NAICS Code: _____

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

PRINTED NAME OF RESPONSIBLE PARTY

QUESTIONNAIRE: (All questions to be answered on behalf of the debtor.)

YES NO

- | | | |
|---|--------------------------|--------------------------|
| 1. IS THE BUSINESS STILL OPERATING? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. DID YOU PAY YOUR EMPLOYEES ON TIME? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY? | <input type="checkbox"/> | <input type="checkbox"/> |

- | | | |
|--|--------------------------|--------------------------|
| 13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT? | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? | <input type="checkbox"/> | <input type="checkbox"/> |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME _____

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES _____

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B)	_____
---	-------

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C)	_____
---	-------

(Subtract Line C from Line B)	CASH PROFIT FOR THE MONTH	_____
-------------------------------	----------------------------------	-------

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES _____

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES _____

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES PAID NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

TOTAL PROFESSIONAL FEES PAID NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	<u>Projected</u>	<u>Actual</u>	<u>Difference</u>
INCOME			
EXPENSES			
CASH PROFIT			

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

CHAPTER 11 POST-CONFIRMATION QUARTERLY REPORTCase No _____
Debtor _____

For Quarter Ended _____

SUMMARY OF RECEIPTS AND DISBURSEMENTS DURING QUARTER:

- | | |
|---|-----------|
| 1. Cash balance, beginning of quarter | \$ _____ |
| 2. Cash receipts during quarter from all sources | _____ |
| 3. Cash disbursements during quarter, including plan payments | (_____) |
| 4. Cash balance, end of quarter (or as of report date for final report) | \$ _____ |

BREAKDOWN OF AMOUNTS DISBURSED:

	Paid During Quarter		
Disbursements for Operations	\$ _____		
		Paid During Quarter	Total Paid to Date
			Total Pymts. Projected Under Plan
Disbursements under Confirmed Plan			
1. ADMINISTRATIVE EXPENSES			
Plan Trustee Fees/Expenses	\$ _____	\$ _____	\$ _____
Other Professional Fees/Expenses	_____	_____	_____
Other Administrative Expenses	_____	_____	_____
TOTAL ADMINISTRATIVE EXPENSES	\$ _____	\$ _____	\$ _____
2. SECURED CREDITORS	\$ _____	_____	_____
3. PRIORITY CREDITORS	\$ _____	_____	_____
4. UNSECURED CREDITORS	\$ _____	_____	_____
5. EQUITY SECURITY HOLDERS	\$ _____	_____	_____
6. Other: _____	\$ _____	_____	_____
TOTAL PLAN PAYMENTS (lines 1 - 6)	\$ _____	\$ _____	\$ _____
TOTAL QUARTERLY DISBURSEMENTS	\$ _____		

PLAN STATUS:

Yes No

- | | |
|---|--|
| 1. Have all payments been made as set forth in the confirmed plan? (If no, attach explanation.) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Are all post-confirmation obligations current? (If no, attach explanation.) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Projected date of application for final decree: _____ | |

**I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING POST CONFIRMATION
QUARTERLY REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.**

Reorganized Debtor

Date: _____

Signature: _____

Title: _____